

## ***EMPLOYEE RETIREMENT SYSTEMS OVERVIEW***

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Fairfax County Employee Retirement Systems include the Uniformed Retirement System (Fund 600), the Supplemental Retirement System (Fund 601), and the Police Officers Retirement System (Fund 602). Each system is funded from employees' contributions based on a fixed percentage of pay, County contributions based on a variable percentage of employee pay as determined by actuarial analysis, and return on investments. To assure the continued soundness of each fund, an actuarial study is conducted annually and, if appropriate, an adjustment is made to the employer's contribution rate. The actuarial valuation takes into account the performance of each system's investment portfolio, membership profile assumptions, and projected compensation and benefits, including cost of living adjustments.

For the Uniformed Retirement Trust Fund and the Police Officers Retirement Trust Fund, the full amount of the employer's contribution comes from Agency 89, Employee Benefits, in the County's General Fund. The County Supplemental Retirement Trust Fund receives employer contributions from two sources: Agency 89, Employee Benefits for County employees; and Fairfax County Public Schools (FCPS) for school employees.

The Board of Supervisors approved retirement benefit enhancements for each of the three retirement systems on February 28, 2000, based on recommendations from the Board of Trustees of each of the systems. The benefit enhancements will be implemented July 1, 2000, and they include an increase in the multiplier (from 2.3% to 2.5% for plans C and D and from 1.8% to 2.0% for plans A and B) for Uniformed retirees, an extension of the supplemental benefit until the date of full Social Security benefits for Supplemental retirees, and an increase in the multiplier (from 2.5% to 2.8%) for Police retirees. The General Fund fiscal impact associated with these adjustments is \$3,931,746.

The FY 2001 employer contribution rates for each of the three retirement systems are: 20.11% for Uniformed retirees, 6.29% for Supplemental retirees, and 25.69% for Police retirees. It should be noted that the rates calculated in the actuarial valuation were 15.49% for Uniformed retirees, 4.67% for Supplemental retirees and 14.48% for Police retirees and were adjusted to reflect the impact of the benefit enhancements approved by the Board of Supervisors.

The total General Fund net employer contribution to the three retirement systems is \$47,450,197, an increase of \$7,765,108, or 19.6 percent, from the *FY 2000 Revised Budget Plan*. See Agency 89, Employee Benefits, Volume 1 for more details on the General Fund impact.

The following table displays relevant information about each retirement system:

<b>EMPLOYEES COVERED</b>		
Uniformed	Supplemental	Police Officers
Fire and Rescue Personnel; Uniformed Office of Sheriff employees; Game and Animal Wardens; Helicopter Pilots.	County employees not covered under Uniformed or Police Officers System; certain FCPS employees including food service, custodial, bus drivers, part-time and substitute teachers, maintenance staff.	Fairfax County Police Officers.

# EMPLOYEE RETIREMENT SYSTEMS OVERVIEW

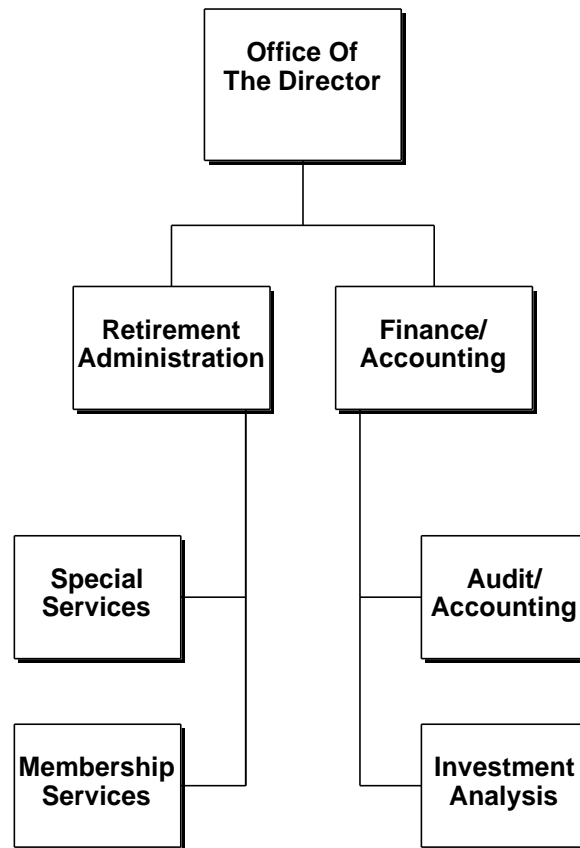
CONDITIONS OF COVERAGE						
Uniformed		Supplemental		Police Officers		
At age 55 with 6 years of service or after 25 years of service.		At age 65 with 5 years of service or earlier when age and years of service combined equal 80 or, for reduced "early retirement" benefits, 75. Not before age 50.		At age 55 or after 20 years of police service if hired before 7/1/81; or 25 years of service if hired on or after 7/1/81.		
EMPLOYEE CONTRIBUTION						
	Uniformed <sup>1</sup>		Supplemental		Police Officers	
	Plan A	Plan B	Plan A	Plan B	12.00% of Pay	
Up to Wage Base	4.00%	7.08%	4.00%	5.33%		
Above Wage Base	5.33%	8.83%	5.33%	5.33%		
Plan C	4.00%					
Plan D	7.08%					

<sup>1</sup> Uniformed Retirement System members hired on or after April 1, 1997 must join Plan D: Plans A, B, and C are closed to new members.

EMPLOYER CONTRIBUTION		
Rate Structure / FY 2001 Estimate		
Uniformed	Supplemental	Police Officers
20.11% \$16,901,841	County 6.29% / \$19,411,964 Schools 6.29% / \$6,821,538	25.69% \$14,071,712

INVESTMENT MANAGERS AS OF JUNE 30, 1999		
Uniformed	Supplemental	Police Officers
Barclays Global Investors Credit Suisse Asset Management J.L. Kaplan Associates, L.L.C. Lazard Asset Management Marathon-London Payden & Rygel Investment Counsel Zak Capital, Inc.	Barclays Global Investors Cohen & Steers Capital Management, Inc. The Crabbe Huson Group, Inc. JP Morgan Investment Management, Inc. Lazard Asset Management Payden and Rygel Investment Counsel Schroder Capital Management International, Inc. Robert E. Torray & Co., Inc. Thomson Horstman and Bryant Wanger Asset Management, L.P. Credit Suisse Asset Management	Capital Guardian Trust Co. Cohen & Steers Capital Management, Inc. Credit Suisse Asset Management Dodge & Cox, Inc. Robert E. Torray & Co., Inc. ING Barings, L.L.C. Furman Selz Capital Management, L.L.C

# RETIREMENT ADMINISTRATION AGENCY



# RETIREMENT ADMINISTRATION AGENCY

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## Agency Position Summary

21 Regular Positions / 21.0 Regular Staff Years

### Position Detail Information

#### OFFICE OF THE DIRECTOR

1 Executive Director  
1 Administrative Assistant  
1 Secretary II  
1 Clerk Typist II  
4 Positions  
4.0 Staff Years

#### Investment Analysis

1 Investment Analyst  
1 Senior Investment Manager  
2 Positions  
2.0 Staff Years

#### RETIREMENT ADMINISTRATION

1 Retirement Administrator  
1 Position  
1.0 Staff Year

' 1/1.0 SYE Accountant II is financed by Fund 500, Retiree Health Benefits. The remaining 20/20.0 SYE positions are financed jointly by the three retirement trust funds (Funds 600, 601, and 602).

#### Special Services

1 Programmer Analyst II  
1 Programmer Analyst III  
1 Information Officer II  
3 Positions  
3.0 Staff Years

#### Membership Services

1 Management Analyst II  
3 Retirement Counselors  
3 Account Clerks II  
1 Clerical Specialist  
8 Positions  
8.0 Staff Years

#### FINANCE/ACCOUNTING

1 Investment Manager  
1 Position  
1.0 Staff Year

#### Audit/Accounting

1 Accountant II '  
1 Account Clerk II  
2 Positions  
2.0 Staff Years

# RETIREMENT ADMINISTRATION AGENCY

## AGENCY MISSION

*To assure the successful operation of the three major Fairfax County employee retirement systems (Supplemental, Uniformed and Police Officers) as well as of the Retiree Health Benefits Fund, which provides health benefit subsidy payments to eligible County retirees; and to ensure that currently active employees as well as current retirees are kept informed about their existing and future retirement benefits under the various County plans.*

## AGENCY SUMMARY<sup>1</sup>

Category	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	21/ 21	21/ 21	21/ 21	21/ 21	21/ 21
Expenditures:					
Personnel Services	\$1,691,575	\$1,983,583	\$2,663,288	\$3,163,848	\$3,194,545
Operating Expenses	108,804,051	118,468,596	118,443,191	125,765,122	125,765,122
Capital Equipment	20,319	10,350	10,350	13,240	13,240
<b>Total Expenditures</b>	<b>\$110,515,945</b>	<b>\$120,462,529</b>	<b>\$121,116,829</b>	<b>\$128,942,210</b>	<b>\$128,972,907</b>

<sup>1</sup> The table above includes all of the three County retirement funds (Funds 600, 601, and 602) as well as the Retiree Health Benefits Fund (Fund 500) which are administered by this Agency and to which all costs of agency administration are apportioned. Further details on Fund 500, including the fund statement, may be found under the Internal Service Fund section in this volume.

## SUMMARY BY COST CENTER

Category	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Retirement Trust Funds	\$109,751,148	\$119,564,081	\$119,576,201	\$126,973,010	\$127,002,121
Retiree Health Benefits Fund	764,797	898,448	1,540,628	1,969,200	\$1,970,786
<b>Total Expenditures</b>	<b>\$110,515,945</b>	<b>\$120,462,529</b>	<b>\$121,116,829</b>	<b>\$128,942,210</b>	<b>\$128,972,907</b>

## Board of Supervisors' Adjustments

*The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:*

- The 2.5 percent cost-of-living/market rate adjustment approved by the Board of Supervisors, and previously held in reserve, has been spread to County agencies and funds. This action results in an increase of \$29,111 to the Retirement Administration Agency.
- A net increase of \$3,931,746 in Employer Contributions associated with the benefit enhancements for the three retirement funds approved by the Board of Supervisors on February 28, 2000. The approved adjustments take effect July 1, 2000, and include an increase in the multiplier for the Uniformed retirees, an extension of the supplemental benefit for Supplemental retirees until the date of full Social Security benefits, and an increase in the multiplier for Police retirees.

# **RETIREMENT ADMINISTRATION AGENCY**

## **County Executive Proposed FY 2001 Advertised Budget Plan**



### **Agency Overview**

Under the direction of the Boards of Trustees of the Police Officers, Supplemental, and Uniformed Retirement Systems, the Retirement Administration Agency processes benefit payments to eligible Fairfax County retirees including both regular retirement payments from the three major retirement systems as well as payments of the retiree health benefit subsidy from the Retiree Health Benefits Fund. The agency is also charged with counseling and providing active and retired County employees with comprehensive information pertaining to their benefits.

Additionally, the agency oversees the management and investment of retirement trust funds which totaled \$2,943,116,062 as of June 30, 1999. In FY 1999, the retirement trust funds were invested as follows: 44% domestic equities, 34% fixed income securities, 12% international equities, 8% real estate investment trust securities (REITs), 1% cash, and 1% convertibles. Primarily as a result of the investment in favorable equity markets during the fiscal year, the funds yielded return on investment of 8.6%, 9.0%, and 10.0% respectively for the Police Officers, Supplemental, and Uniformed Retirement Systems.

During FY 2001, the agency plans to continue its automation activity to provide responsive service, given the anticipated 7.36, 6.97 and 9.61 percent growth in retirees for the Uniformed, Supplemental and Police Officers retirement systems. The agency is in the process of converting the existing benefits calculation system to a Windows-based application and adding a new retirement payroll system. With the addition of updated computers which provide added power, speed, and memory capability, the agency is positioning itself to respond to the ever-increasing demands of retirees and active members.



### **Funding Adjustments**

*The following funding adjustments from the FY 2000 Revised Budget Plan are necessary to support the FY 2001 program:*

- An increase of \$30,185 due to the implementation of the Pay for Performance program in FY 2001. The new system links annual pay increases to employee performance.
- An increase of \$12,913 due to the implementation of the Market Pay Study. As a result, incumbents in job classes that are found to be one grade below the market will be moved to the appropriate grade and receive a 2.0 percent market adjustment. Incumbents in classes found to be two or more grades below the market will be moved to the appropriate grade and receive a 4.0 percent market adjustment. In addition, funding is held in reserve to provide all employees with a 2.5 percent cost-of living/market adjustment.
- An increase in Personnel Services of \$66,418 based on the current grade of existing staff. It should be noted that the remaining increase in Personnel Services is due to the inclusion of Fund 500, Retiree Health Benefits in the Agency Summary table. See Fund 500, Retiree Health Benefits, in Volume II for more details.
- A net increase of \$7,827,721 in Operating Expenses reflects increased payments of \$9,244,260 to retirees due to higher number of retirees and higher individual payment levels and increased payments to beneficiaries of \$50,461 partially offset by a decreased allowance for refunds of \$1,467,000 based on projected turnover of active members.
- A decrease of \$484,182 in Operating Expenses reflects decreased professional services, including investment and banking services, due primarily to lower average investment management fees.
- A decrease of \$59,136 in Operating Expenses is primarily due to decreased actuary and audit charges.

# RETIREMENT ADMINISTRATION AGENCY

- An amount of \$13,240 in Capital Equipment provides for lateral files, secretarial desks, a printer table associated with the renovation/expansion of the agency's current leased space and the upgrade of four agency computers.

*The following funding adjustments reflect all approved changes in the FY 2000 Revised Budget Plan since passage of the FY 2000 Adopted Budget Plan. Included are all adjustments made as part of the FY 1999 Carryover Review and all other approved changes through December 31, 1999:*

- As part of the FY 1999 Carryover Review, an amount of \$12,120 was added due to unencumbered carryover associated with unexpended Close Management Initiative (CMI) savings.



## Objectives

- To issue retiree benefit payments by the last working day of each month so that 0.0 percent of payments are processed late.
- To achieve at least a 7.5 percent return on investment over rolling three year periods.
- To achieve realized return on investment commensurate with the S&P 500 Index and the Lehman Brothers Aggregate Bond Index.



## Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimate/Actual	FY 2000	FY 2001
<b>Output:</b>					
Number of members: <sup>1</sup>					
Supplemental	14,867	15,033	15,551 / 16,440	17,559	18,753
Uniform	1,980	2,174	2,165 / 2,159	2,352	2,580
Police Officer	1,540	1,609	1,659 / 1,609	1,727	1,853
Return on Investment:					
Supplemental	\$236,364,882	\$243,984,079	\$110,531,476 / \$143,454,668	\$127,012,061	\$137,343,290
Uniform	\$70,316,297	\$79,249,734	\$38,421,494 / \$55,902,165	\$44,525,215	\$49,213,470
Police Officer	\$81,233,435	\$80,668,043	\$36,119,474 / \$45,613,749	\$42,066,038	\$45,483,505
<b>Efficiency:</b>					
Cost per member:					
Supplemental	NA	\$32	\$32 / \$37	\$43	\$38
Uniform	NA	\$83	\$79 / \$78	\$97	\$92
Police Officer	NA	\$70	\$70 / \$110	\$135	\$120
Investment costs as a percent of assets: <sup>2</sup>					
Supplemental	NA	NA	NA / 0.33%	0.39%	0.33%
Uniform	NA	NA	NA / 0.34%	0.44%	0.39%
Police Officer	NA	NA	NA / 0.44%	0.55%	0.53%

# RETIREMENT ADMINISTRATION AGENCY

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimate/Actual	FY 2000	FY 2001
<b>Service Quality:</b>					
Percentage of retiree checks issued within schedule time frame:					
Supplemental	100%	100%	100% / 100%	100%	100%
Uniform	100%	100%	100% / 100%	100%	100%
Police Officer	100%	100%	100% / 100%	100%	100%
Rate as Percentage of assumed actuarial rate (7.5%):					
Supplemental	269%	230%	100% / 115%	100%	100%
Uniform	230%	216%	100% / 127%	100%	100%
Police Officer	288%	230%	100% / 108%	100%	100%
Large cap equity return as percentage of meeting S&P 500 index:					
Supplemental	94%	100%	100% / 91%	100%	100%
Uniform	83%	87%	100% / 88%	100%	100%
Police Officer	NA	97%	100% / 79%	100%	100%
Fixed income return as percentage of the Lehman aggregate Bond Index:					
Supplemental	104%	101%	100% / 94%	100%	100%
Uniform	153%	105%	100% / 124%	100%	100%
Police Officer	NA	106%	100% / 116%	100%	100%
<b>Outcome:</b>					
Percentage of retiree payments processed late:					
Supplemental	0.0%	0.0%	0.0% / 0.0%	0.0%	0.0%
Uniform	0.0%	0.0%	0.0% / 0.0%	0.0%	0.0%
Police Officer	0.0%	0.0%	0.0% / 0.0%	0.0%	0.0%
Deviation from actuarial rate of return (total plan):					
Supplemental	12.6%	9.7%	0.0% / 1.1%	0.0%	0.0%
Uniform	9.8%	8.7%	0.0% / 2.1%	0.0%	0.0%
Police Officer	14.1%	9.7%	0.0% / 0.6%	0.0%	0.0%
Deviation from S&P 500 (large cap equities):					
Supplemental	(1.9%)	0.1%	2.0% / (2.0%)	0.0%	0.0%
Uniform	(6.0%)	(3.8%)	2.0% / (2.7%)	0.0%	0.0%
Police Officer	NA	(1.1%)	2.0% / (4.8%)	0.0%	0.0%
Deviation from Lehman Aggregate (fixed income):					
Supplemental	(0.4%)	0.2%	0.5% / (0.2%)	0.0%	0.0%
Uniform	(4.4%)	0.6%	0.5% / 0.8%	0.0%	0.0%
Police Officer	NA	0.7%	0.5% / 0.5%	0.0%	0.0%



## ***RETIREMENT ADMINISTRATION AGENCY***

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<sup>1</sup> This indicator was previously reported separately as number of retirees and number of active members. Beginning in FY 2001, these indicators were combined and are now shown as the total number of members.

<sup>2</sup> This indicator was previously reported as investment costs as a percentage of earnings. However, beginning in FY 2001, the indicator was revised and now reflects the costs as a percentage of assets.

# RETIREMENT ADMINISTRATION AGENCY

## FUND STATEMENT

### Fund Type G60, Pension Trust Funds

### Fund 600, Uniformed Retirement

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$558,585,853</b>	<b>\$596,124,538</b>	<b>\$618,444,301</b>	<b>\$659,137,361</b>	<b>\$659,137,361</b>
Revenue:					
Employer Contributions	\$15,645,846	\$15,129,027	\$14,968,811	\$15,926,597	\$16,901,841
Employee Contributions	5,594,857	5,162,993	5,162,993	5,665,676	5,665,676
Rental Income					
Employee Payback	113,904	26,000	26,000	86,000	86,000
Return on Investments <sup>1,2</sup>	38,389,221	44,525,215	44,525,215	49,213,470	49,213,470
Total Realized Revenue	\$59,743,828	\$64,843,235	\$64,683,019	\$70,891,743	\$71,866,987
Unrealized Gain (Loss) <sup>3</sup>	19,867,765	0	0	0	0
Total Revenue	\$79,611,593	\$64,843,235	\$64,683,019	\$70,891,743	\$71,866,987
<b>Total Available</b>	<b>\$638,197,446</b>	<b>\$660,967,773</b>	<b>\$683,127,320</b>	<b>\$730,029,104</b>	<b>\$731,004,348</b>
Expenditures:					
Administrative Expenses	\$481,400	\$609,481	\$612,504	\$681,997	\$686,363
Investment Services	4,098,153	2,401,455	2,401,455	2,291,075	2,291,075
Payments to Retirees	14,268,543	19,639,690	19,639,690	21,785,530	21,785,530
Beneficiaries	279,079	404,310	404,310	400,470	400,470
Refunds	625,970	932,000	932,000	986,000	986,000
Subtotal Expenditures	\$19,753,145	\$23,986,936	\$23,989,959	\$26,145,072	\$26,149,438
COLA/MRA Reserve	0	0	0	4,366	0
Total Expenditures	\$19,753,145	\$23,986,936	\$23,989,959	\$26,149,438	\$26,149,438
<b>Total Disbursements</b>	<b>\$19,753,145</b>	<b>\$23,986,936</b>	<b>\$23,989,959</b>	<b>\$26,149,438</b>	<b>\$26,149,438</b>
<b>Ending Balance</b>	<b>\$618,444,301</b>	<b>\$636,980,837</b>	<b>\$659,137,361</b>	<b>\$703,879,666</b>	<b>\$704,854,910</b>
PC Replacement Reserve <sup>4</sup>	4,050	4,860	4,860	4,444	4,444
<b>Unreserved Balance</b>	<b>\$618,440,251</b>	<b>\$636,975,977</b>	<b>\$659,132,501</b>	<b>\$703,875,222</b>	<b>\$704,850,466</b>

<sup>1</sup> FY 1999 Actuals are adjusted to reflect compliance with Governmental Accounting Standards Board (GASB) Statement 28 which requires segregation of income and expenditures associated with securities lending transactions. The audit adjustment records gross income and expenditures of \$2,354,822.17. Prior to GASB 28 the retirement systems solely reflected net income from securities lending as part of return on investment. It should be noted that the Uniformed Retirement System received net securities lending income of \$206,347 based on securities lending transactions in FY 1999.

<sup>2</sup> FY 1999 Actual return on investment is increased by \$2,229.70 to record a full 12 months of receipts. This amount is consistent with the FY 1999 Comprehensive Annual Financial Report.

<sup>3</sup> Beginning in FY 1998 unrealized gain/loss is not budgeted. Unrealized gain/loss will be reflected as an actual revenue at the end of each fiscal year.

<sup>4</sup> Computer equipment reserve established for the timely replacement of obsolete computer equipment used for retirement operations.

# RETIREMENT ADMINISTRATION AGENCY

## FUND STATEMENT

### Fund Type G60, Pension Trust Funds

### Fund 601, Supplemental Retirement

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$1,623,037,291</b>	<b>\$1,708,627,352</b>	<b>\$1,748,409,203</b>	<b>\$1,846,699,536</b>	<b>\$1,846,699,536</b>
Revenue:					
County Employer Contributions	\$17,839,991	\$18,652,865	\$18,431,925	\$19,457,666	\$19,411,964
County Employee Contributions	14,090,402	13,245,660	13,245,660	14,552,682	14,552,682
School Employer Contributions	6,303,842	6,409,363	6,409,363	6,821,538	6,821,538
School Employee Contributions	4,935,377	4,653,881	4,653,881	5,113,105	5,113,105
Employee Payback	502,720	203,000	203,000	388,000	388,000
Return on Investments <sup>1,2</sup>	153,177,787	127,012,061	127,012,061	137,343,290	137,343,290
<b>Total Realized Revenue</b>	<b>\$196,850,119</b>	<b>\$170,176,830</b>	<b>\$169,955,890</b>	<b>\$183,676,281</b>	<b>\$183,630,579</b>
Unrealized Gain (Loss) <sup>3</sup>	(3,574,598)	0	0	0	0
<b>Total Revenue</b>	<b>\$193,275,521</b>	<b>\$170,176,830</b>	<b>\$169,955,890</b>	<b>\$183,676,281</b>	<b>\$183,630,579</b>
<b>Total Available</b>	<b>\$1,816,312,812</b>	<b>\$1,878,804,182</b>	<b>\$1,918,365,093</b>	<b>\$2,030,375,817</b>	<b>\$2,030,330,115</b>
Expenditures:					
Administrative Expenses	\$1,197,080	\$1,535,973	\$1,542,047	\$1,639,153	\$1,659,532
Investment Services	11,433,071	6,337,060	6,337,060	5,679,043	5,679,043
Payments to Retirees	49,538,418	56,288,041	56,288,041	62,665,976	62,665,976
Beneficiaries	1,330,822	1,539,409	1,539,409	1,582,688	1,582,688
Refunds	4,404,218	5,959,000	5,959,000	4,441,000	4,441,000
<b>Subtotal Expenditures</b>	<b>\$67,903,609</b>	<b>\$71,659,483</b>	<b>\$71,665,557</b>	<b>\$76,007,860</b>	<b>\$76,028,239</b>
COLA/MRA Reserve	0	0	0	20,379	0
<b>Total Expenditures</b>	<b>\$67,903,609</b>	<b>\$71,659,483</b>	<b>\$71,665,557</b>	<b>\$76,028,239</b>	<b>\$76,028,239</b>
<b>Total Disbursements</b>	<b>\$67,903,609</b>	<b>\$71,659,483</b>	<b>\$71,665,557</b>	<b>\$76,028,239</b>	<b>\$76,028,239</b>
<b>Ending Balance</b>	<b>\$1,748,409,203</b>	<b>\$1,807,144,699</b>	<b>\$1,846,699,536</b>	<b>\$1,954,347,578</b>	<b>\$1,954,301,876</b>
PC Replacement Reserve <sup>4</sup>	15,120	22,680	22,680	20,736	20,736
<b>Unreserved Balance</b>	<b>\$1,748,394,083</b>	<b>\$1,807,122,019</b>	<b>\$1,846,676,856</b>	<b>\$1,954,326,842</b>	<b>\$1,954,281,140</b>

<sup>1</sup> FY 1999 Actuals are adjusted to reflect compliance with Governmental Accounting Standards Board (GASB) Statement 28 which requires segregation of income and expenditures associated with securities lending transactions. The audit adjustment records gross income and expenditures of \$6,148,521.85. Prior to GASB 28, the retirement systems solely reflected net income from securities lending as part of return on investment. It should be noted that the Supplemental Retirement System received net securities lending income of \$503,977 based on securities lending transactions in FY 1999.

<sup>2</sup> FY 1999 Actual return on investment is increased by \$1,716.40 to record a full 12 months of receipts. This amount is consistent with the FY 1999 Comprehensive Annual Financial Report.

<sup>3</sup> Beginning in FY 1998, unrealized gain/loss is not budgeted. Unrealized gain/loss will be reflected as an actual revenue at the end of each fiscal year.

<sup>4</sup> Computer equipment reserve established for the timely replacement of obsolete computer equipment used for retirement operations.

# RETIREMENT ADMINISTRATION AGENCY

## FUND STATEMENT

### Fund Type G60, Pension Trust Funds

### Fund 602, Police Retirement

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$532,783,944</b>	<b>\$564,957,750</b>	<b>\$576,262,558</b>	<b>\$610,823,728</b>	<b>\$610,823,728</b>
Revenue:					
Employer Contributions	\$10,685,734	\$10,441,447	\$10,220,548	\$11,069,508	\$14,071,712
Employee Contributions	6,861,605	6,180,269	6,180,269	6,623,455	6,623,455
Employee Payback	12,511	15,000	15,000	15,000	15,000
Return on Investments <sup>1,2</sup>	33,356,568	42,066,038	42,066,038	45,483,505	45,483,505
<b>Total Realized Revenue</b>	<b>\$50,916,418</b>	<b>\$58,702,754</b>	<b>\$58,481,855</b>	<b>\$63,191,468</b>	<b>\$66,193,672</b>
Unrealized Gain (Loss) <sup>3</sup>	14,656,590	0	0	0	0
<b>Total Revenue</b>	<b>\$65,573,008</b>	<b>\$58,702,754</b>	<b>\$58,481,855</b>	<b>\$63,191,468</b>	<b>\$66,193,672</b>
<b>Total Available</b>	<b>\$598,356,952</b>	<b>\$623,660,504</b>	<b>\$634,744,413</b>	<b>\$674,015,196</b>	<b>\$677,017,400</b>
Expenditures:					
Administrative Expenses	\$454,519	\$560,975	\$563,998	\$585,280	\$589,646
Investment Services	4,734,381	2,920,687	2,920,687	3,070,291	3,070,291
Payments to Retirees	15,580,489	18,654,027	18,654,027	19,374,512	19,374,512
Beneficiaries	860,258	1,095,973	1,095,973	1,106,995	1,106,995
Refunds	464,747	686,000	686,000	683,000	683,000
<b>Subtotal Expenditures</b>	<b>\$22,094,394</b>	<b>\$23,917,662</b>	<b>\$23,920,685</b>	<b>\$24,820,078</b>	<b>\$24,824,444</b>
COLA/MRA Reserve	0	0	0	4,366	0
<b>Total Expenditures</b>	<b>\$22,094,394</b>	<b>\$23,917,662</b>	<b>\$23,920,685</b>	<b>\$24,824,444</b>	<b>\$24,824,444</b>
<b>Total Disbursements</b>	<b>\$22,094,394</b>	<b>\$23,917,662</b>	<b>\$23,920,685</b>	<b>\$24,824,444</b>	<b>\$24,824,444</b>
<b>Ending Balance</b>	<b>\$576,262,558</b>	<b>\$599,742,842</b>	<b>\$610,823,728</b>	<b>\$649,190,752</b>	<b>\$652,192,956</b>
PC Replacement Reserve <sup>4</sup>	4,050	4,860	4,860	4,444	4,444
<b>Unreserved Ending Balance</b>	<b>\$576,258,508</b>	<b>\$599,737,982</b>	<b>\$610,818,868</b>	<b>\$649,186,308</b>	<b>\$652,188,512</b>

<sup>1</sup> FY 1999 Actuals are adjusted to reflect compliance with Governmental Accounting Standards Board (GASB) Statement 28 which requires segregation of income and expenditures associated with securities lending transactions. The audit adjustment records gross income and expenditures of \$2,399,408.32. Prior to GASB 28, the retirement systems solely reflected net income from securities lending as part of return on investment. It should be noted that the Police Retirement System received net securities lending income of \$144,012 based on securities lending transactions in FY 1999.

<sup>2</sup> FY 1999 Actual return on investment is increased by \$8,572.17 to record a full 12 months of receipts. This amount is consistent with the FY 1999 Comprehensive Annual Financial Report.

<sup>3</sup> Beginning in FY 1998, unrealized gain/loss is not budgeted. Unrealized gain/loss will be reflected as an actual revenue at the end of each fiscal year.

<sup>4</sup> Computer equipment reserve established for the timely replacement of obsolete computer equipment used for retirement operations.

***RETIREMENT ADMINISTRATION AGENCY***

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